

Collins NFPADVISOR



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CHARITY GOVERNANCE

RESTRUCTURED ETHICS CODE FOR ACCOUNTANTS

The Accounting Professional and Ethical Standards Board has issued a restructured Code of Ethics for Professional Accountants (including Independence Standards) of more than 200 pages. It applies to all accountants.

The code brings together key ethics advances over the past four years in non-compliance with laws and regulations, inducements and audit-partner rotation.

APESB Chair Nicola Roxon said: 'The code has been revised to facilitate greater useability and understanding of its requirements and enforcement by regulatory bodies'.

A redefined structure and clearer guidelines, including how to apply the conceptual framework for every section, provides for a strengthened platform for the code that will support its application by accountants.

Parts 1 and 2 apply to members of CA ANZ, CPA Australia and the IPA:

- Part 1 – Complying with the code, the five fundamental principles and conceptual framework.
- Part 2 – Members in business, which sets out additional material that applies to them when performing professional activities. Members in business include members employed, engaged or contracted in an executive or non-executive capacity in, for example, commerce, industry and service, the public sector, education, the not-for-profit sector, and regulatory and professional bodies.
- Parts 3 and 4 apply to members providing auditing and assurance.

Five substantially unchanged fundamental ethical principles are:

Integrity	To be straightforward and honest in all professional and business relationships
Objectivity	Not to compromise professional or business judgements because of bias, conflicts of interest or undue influence of others.
Professional competence and due care	<p>To attain and maintain professional knowledge and skill at the level required to ensure that a client or employing organisation receives competent professional activities based on current technical and professional standards and relevant legislation.</p> <p>To act diligently and in accordance with applicable technical and professional standards.</p>
Confidentiality	To respect the confidentiality of information acquired as a result of professional and business relationships.
Professional behaviour	To comply with relevant laws and regulations and avoid any conduct that the member knows or should know might discredit the profession.

Part 2 addresses issues such as:

- Conflicts of interest.
- Preparation and presentation of information.
- Acting with sufficient expertise.
- Financial interests, compensation and incentives linked to financial reporting and decision-making.
- Inducements, including gifts and hospitality.
- Responding to non-compliance with laws and regulations.
- Pressure to breach the fundamental principles.



Professional accountants in business should be aware that new and revised sections deal with preparing and presenting information and how to manage situations that create inducements to breach fundamental principles.

Organisations should review and update policies and procedures that incorporate professional and ethical obligations.

The restructured Australian code will be effective from 1 January 2020, early adoption permitted. Stakeholders can access it on the APESB website and are encouraged to develop implementation plans.

GIFTS AND HONORARIUMS GUIDANCE

The Australian Charities and Not-for-profits Commission has released new guidance aimed at helping charities that wish to provide gifts or honorariums to people in their organisation. The principles can also be applied to other NFP entities.

The new Gifts and Honorariums guide urges charities to approach the issue with care and diligence, and to consider their own unique circumstances when deciding to provide a gift or honorarium.

A gift is typically given in appreciation of an individual's charitable service. An honorarium is typically a payment made to honour charitable service.

Some charities refer to payments of this nature as 'allowances' or 'ex-gratia payments'. Although the names may sometimes be different, the considerations for a charity in the guidance still apply.

Charities' 'responsible persons' need to consider the issues and concerns about providing gifts or honorariums and encourage their organisations to have formal policies on the matter.

The guidance details the ACNC's expectations on the issue – including that gifts or honorariums should generally be token in nature – as well as outlining legal considerations. It also contains a useful series of questions charities should ask themselves before providing a gift or honorarium.

The ACNC generally expects that gifts or honorariums will be of a token nature. They should not provide anyone with a sizeable or significant personal benefit.

Charities breaching this provision risk failing to comply with their purpose and character as a not-for-profit entity.

It is up to a charity's responsible persons to determine an acceptable value of gifts and honorariums, taking into account the charity's financial position and its ability to carry out its charitable purposes.

Charities need to consider the legal implications of providing gifts and honorariums. To remain registered as a charity with the ACNC, an organisation must:

- Be an NFP entity.
- Comply with its purposes and character.
- Be accountable to its members.

A charity should take reasonable steps to ensure that its responsible persons are subject to, and comply with, obligations to:

- Act in good faith in the charity's best interests and to further its purposes.
- Disclose perceived or actual conflicts of interest.
- Ensure that the organisation's financial affairs are responsibly managed.
- Ensure that decisions to provide a gift or honorarium does not risk breaching these requirements.

Charities that prepare financial statements may also need to disclose gifts or honorariums to certain individuals (such as responsible persons) in accordance with AASB 124 Related Party Disclosures. Related parties include a charity's key management personnel (defined in AASB 124). This may include a responsible person or a close member of a responsible person's family.

The ACNC annual information statement asks medium and large-sized charities whether they have related-party transactions and if they have documented policies concerning them.

The guide can be found at: www.acnc.gov.au/gifts.

NEED TO REGISTER YOUR CHARITY'S FOREIGN SIDE?

The Foreign Influence Transparency Scheme began on 10 December and aims to reveal the nature, level and extent of foreign influence on Australian politics.

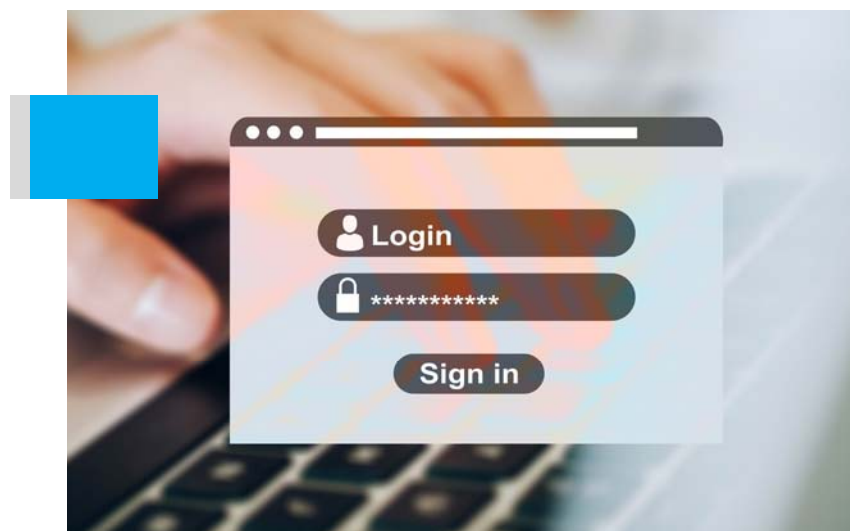
The scheme may also apply to a few charities. If your charity undertakes activities on behalf of a foreign principal, you may need to register.

A foreign principal is any of the following:

- A foreign government.
- A foreign government-related entity.
- A foreign political organisation.
- A foreign government-related individual.

The attorney General's Department has a range of resources to help you to determine if you need to register.

For more information, visit www.ag.gov.au/transparency.



AICD'S GOVERNANCE STUDY RELEASED

Now in its ninth year, the Australian Institute of Company Directors' governance survey is Australia's biggest Not-for-Profit Governance and Performance Study canvassed 2022 respondents and focus groups across the country.

This year's study explored emerging issues facing NFPs, including cybersecurity, innovation, financial viability and culture.

They may be seen as governance issues that push boards to focus their energies beyond traditional performance measures. Uncommon five or 10 years ago, in 2019 they are crucial governance considerations.



Key findings of the study included:

- 82 per cent of respondents undertake their NFP governance for no financial reward.
- 58 per cent said they were working more than two days a month on their NFP, compared with 41 per cent in 2013.
- Half of respondents believe innovation is the responsibility of management and half view it as a board role.
- 75 per cent of 2018 respondents monitored, measured and led culture, a significant increase on 2017.
- Boards are using a combination of methods to measure culture. Staff surveys, staff turnover and dismissals, client surveys, OH&S reports and client complaints are common techniques.
- 25 per cent of respondents believe that their boards need to perform better.
- 38 per cent reported that their board had a 'very good' understanding of the impact of a cyberattack and 25 per cent of the probability of a cyberattack on their organisations.
- The laws surrounding volunteering can be complex, yet volunteers are an important resource to many, if not most, community organisations.

AUSTRAC REPORTS ON TERRORISM-FINANCING RISKS

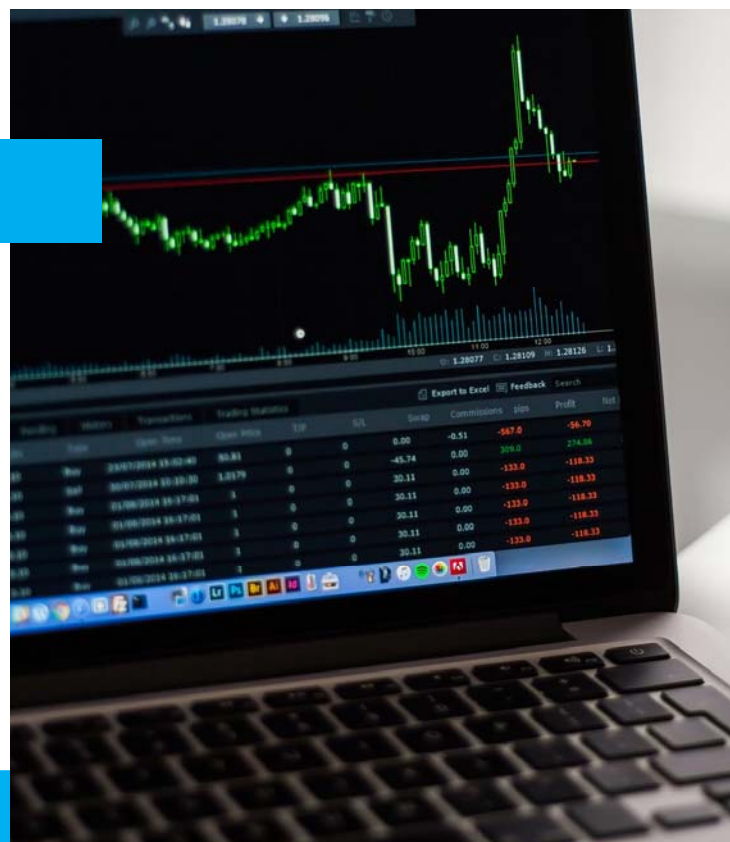
The Australian Transaction Reports and Analysis Centre has published a report to help the sector identify and lessen the risks of terrorism financing in the Asia-Pacific region.

NPO red flag indicators 2018 will be of particular interest to charities that operate in, or send funds to, high-risk regions.

Charities should familiarise themselves with Australia's risk ratings and key factors and indicators of misuse.

The ACNC has guidance to help charities protect themselves from terrorism financing and fraud. Access it at <https://www.acnc.gov.au/tools/topic-guides/fraud>.

You can read the NPO red flag report at www.austrac.gov.au/sites/default/files/npo-red-flag-indicators.pdf.



VOLUNTEER GUIDANCE RELEASED

Not-for-profit Law has released National Volunteer Guide, an overview of the key legal obligations of organisations towards their volunteers.

It contains practical examples, template documents and tips to assist in their understanding.

The guide is divided into six parts and covers:

- Glossary of common terms and overview
- Understanding the legal differences between a volunteer, employee and independent contractor
- Understanding your organisation's legal obligations on volunteer safety
- Protecting volunteers and those with whom they interact from unlawful workplace behaviour
- Recruiting, inducting, managing performance and ending a volunteer relationship, and
- Organisational issues applicable to volunteers.

NEW GUIDANCE ON INDUCTING CHAIRPERSONS

The Governance Institute has included a new section in its governance guide on inducting a board chairperson.

Good Governance Guide on issues to consider when developing director induction processes says that company secretaries have an important role in a new chair's induction, ensuring that several matters are attended to.

Items to be considered when a new chair is appointed include:

- Glossary If the chair is to be a company-bank-account signatory, ensuring that the board passes appropriate resolutions and notifies banks of changes.
- Meetings with the new chair to discuss proposed changes to board processes.
- Discussing the chair's expectations for director development and education and incorporating these into the company's annual calendar.
- Drawing the chair's attention to those clauses in the company's constitution (or other key documents) that relate to the chair's powers.
- Identifying appropriate opportunities to introduce the new chair to important company stakeholders.

The guide has also been updated to include new examples of information and documentation that may be included in an induction pack for directors.

It concludes with a handy list of matters that are usually the responsibility of company secretaries.



NSW ABORIGINAL HEALTH SERVICE WAS POORLY GOVERNED

Biripi Aboriginal Corporation Medical Centre has been placed under special administration.

Responding to complaints from stakeholders, Registrar of Indigenous Corporations Mike Fordham authorised an independent examination of the corporation's books and records. Examiners had serious concerns about governance and relationships, which were causing operations and vital services to deteriorate to unacceptable levels.

The NSW Office of the Children's Guardian advised the registrar that it had decided not to renew the corporation's accreditation as an out-of-home care provider for children and young people.

'Biripi is an important organisation in the Aboriginal community – both for its members, and its clients and stakeholders,' Mr Fordham said.

'It's vital that Biripi's problems be addressed to ensure they can provide the best possible standards of care and service to Aboriginal children, for the carers and families, as well as for the clients of the medical service.'

Biripi was established in 1981. In 2017-18 its income was more than \$17.7 million, of which more than \$13 million came from government sources.

Taree relies on Biripi's health and aged-care services, community-support programs and maternal health care. It also provides out-of-home care for some 100 Aboriginal children in and around Taree and Inverell.

LOOK OUT FOR CHANGES IN 2019

Keep a sharp watch on the federal government's legislative agenda with only a few parliamentary sitting days left before the election.

ACNC Amendment Regulations (No. 2) 2018 prescribe external-conduct standards for the purposes of Division 50 of the Act. We await the expiry of the disallowance period. The commencement date of the instrument is the later of the commencement day referred to in section 50-20 of the Australian Charities and Not-for-profits Commission Act 2012 and 1 July.

External-conduct standards provide a minimum level of assurance that registered entities meet appropriate levels of governance and behaviour when operating outside Australia. They apply to a registered entity that operates outside

Australia or works with third parties that do.

The federal government is proposing amendments to the Corporations (Aboriginal and Torres Strait Islander) Act that are planned to take effect from 1 July.

Treasury has released a consultation paper on the government's proposed deductible-gift recipient reforms. We await to see what happens.

A review panel has made 30 recommendations to strengthen the ACNC's legislative framework in Strengthening for Purpose: Australian Charities and Not-for-profits Commission Legislative Review 2018. We await the federal government's response.

The Senate Select Committee on Charity Fundraising in the 21st Century is scheduled to report in February.



AGED-CARE GOVERNANCE CHALLENGES IDENTIFIED



The Governance Institute has identified the top five governance challenges for aged-care organisations.

They are risk management, workforce planning, compliance with regulations, financial sustainability and non-financial risks.

New standards aim to simplify regulations for providers and encourage innovation, excellence and improvement. The changes affect Australia's 2700 aged-care providers and their 366,000 staff.

Under projected regulations, aged-care providers' governing bodies and boards will be legally accountable for safety and quality. Does your organisation have an effective governance framework to reflect the new standards?

Labour is expensive in aged care because it's intensive and requires special skills. Shortages abound, and more than 50 per cent of those in aged care need even more complex looking after because of dementia.

Filling roles with less-skilled workers may result in a board not meeting its duty of care. A more responsive, better-skilled and flexible workforce enables providers to deliver higher standards.

Complying with legislation concerning patients' health and safety is a board's responsibility. Does your organisation have the sort of culture that makes compliance easy?

Board members of for-profit and not-for-profit organisations must clearly understand their organization's finances, balance sheet and the sensitivity of the business to changes in funding. Ensuring the solvency of a provider must be top-of-mind for directors.

Boards of aged-care providers need to think beyond dollars. Are there other risks to the business that have nothing to do with finance?

The Australian Prudential Regulation Authority's inquiry into the Commonwealth Bank emphasised the importance of identifying and managing operational risks, conduct and reputational risks, and risks arising from conflicts of interest.



ACNC ACTIVITIES



CHARITIES AND POLITICS

With federal and NSW elections only months away, some charities might plan to campaign on political issues.

The ACNC's guidance on election activity, Charities, elections and advocacy, notes that registered charities may undertake activities that are 'aimed at securing or opposing any change to a law, policy or practice in the Commonwealth, a state or territory, or another country'.

They include:

- Involvement in the development of public policy.
- Promotion of, or opposition to, particular laws, policies, practices or decisions of governments.
- Awareness-raising.

Registered charities cannot promote or oppose a political party or candidate.

It's wise for charities to familiarise themselves with the ACNC's guidance before undertaking any advocacy to ensure that they do not risk their status.

You can access the guidance on the ACNC website at <https://www.acnc.gov.au/advocacy-charities>.

INFORMATION STATEMENTS DUE DATE EXTENDED

The ACNC has extended by a month the due date for 2018 annual information statements.

Charities that have a due date between 31 December and 28 February will now have until 31 March to submit their statements.

The extension is due to the launching of a new and improved ACNC website and charity portal.

Despite the extension, the commission has encouraged charities to submit their reports as soon as possible.

More information about your charity's reporting requirements is available at <https://www.acnc.gov.au/for-charities/manage-your-charity/obligations-acnc/reporting-annually-acnc>.

MEASURING NFP'S ROBUSTNESS



The ACNC has released a new report entitled Measures in support of the not-for-profit sector – Indicators of Object 1(b) ACNC Act.

The commission was established in 2012 to achieve three objectives:

- Maintain, protect and enhance public trust and confidence in the sector through increased accountability and transparency.
- Support and sustain a robust, vibrant, independent and innovative not-for-profit sector.
- Promote the reduction of unnecessary regulatory obligations on the sector.

While the first and third objectives are easily defined, the concepts stated in the second are unclear in the Act, the explanatory memorandum and the minister's second-reading speech.

In consultation with NFPs, the ACNC is seeking to define the terms of the second objective and hoping to measure its progress.

The focus is on measuring these concepts as they relate to the whole sector, not individual charities.

The new report proposes definitions and sets out potential ways of measuring progress. The commission will consult early next year with NFPs to seek feedback.

A copy of the report can be downloaded at <https://www.acnc.gov.au/tools/reports/measures-support-not-profit-sector-indicators-object-1b>. If you'd like to participate in the consultation, you can express your interest by emailing consultations@acnc.gov.au.

TRANSITIONAL REPORTING ENDS FOR TASMANIAN CHARITIES

The Transitional reporting for Tasmanian incorporated associations has ended.

From the 2018 reporting period, medium and large Tasmanian charities must prepare and submit an annual financial report complying with the ACNC's requirements.

Where audited financial statements are required for big charities, the auditor must be either:

- A registered company auditor, or
- A firm with at least one registered company-auditor member ordinarily resident in Australia, or
- An authorised auditor company.

South Australian and ACT incorporated associations will also need to prepare for changes, as the 2018 reporting period is the last year of their transitional reporting. From the 2019 reporting period, medium and large charities will be required to ensure their financial reports meet ACNC's requirements.

More information about transitional-reporting arrangements is available on the ACNC website at <https://www.acnc.gov.au/for-charities/manage-your-charity/obligations-acnc/reporting-annually-acnc/transitional-reporting>.

Further details about the ACNC's reporting requirements are also available at <https://www.acnc.gov.au/for-charities/manage-your-charity/obligations-acnc/reporting-annually-acnc>.

FOUR CHARITIES LOSE STATUS

The ACNC has revoked the status of four charities following investigations.

They are Diwan Al Dawla, Slice of Life (Aus) Pty Ltd, Stroke Check Ltd, and The Trustee for Echo-elderly Citizens Help Organisations Inc.

Revocation removes Commonwealth tax concessions, including income-tax exemption, fringe-benefits tax rebates and goods-and-services tax concessions.

Charities endorsed as deductible gift recipients also lose that concession.

Revocation is noted on the charity register, but the ACNC is prevented from publishing the findings of its investigations and the nature of 'concerns' about charities due to secrecy provisions.

ACNC commissioner Gary Johns said revocation was reserved for the most serious cases.

'No charity is above the law,' Dr Johns said. 'The ACNC is here to ensure charities do the right thing. When concerns are reported to us, we take them seriously. We investigate and take appropriate action. Revocation of charity status is the most serious action the ACNC can take.'

Each month the ACNC receives around 150 'concerns', many of which are submitted by members of the public. If you have concerns about a registered charity, let the ACNC know via the <https://www.acnc.gov.au/raise-concern/concerns-about-charities>.



Five governance standards that charities must comply with are:

STANDARD	REQUIREMENTS
Standard 1: Purposes and not-for-profit nature	Charities must be not-for-profit and work towards their charitable purpose. They must be able to demonstrate this and provide information about their purposes to the public.
Standard 2: Accountability to members	Charities that have members must take reasonable steps to be accountable to them, providing them with adequate opportunity to raise concerns about how the charity is governed.
Standard 3: Compliance with Australian laws	Charities must not commit a serious offence (such as fraud) under Australian law or breach a law that may result in a penalty of 60 penalty units (currently \$10,200) or more.
Standard 4: Suitability of responsible persons	Charities must take reasonable steps to: <ul style="list-style-type: none"> Be satisfied that its responsible persons (such as board and committee members and trustees) are not disqualified from managing a corporation under the Corporations Act 2001 (Cth) or disqualified from being a responsible person of a registered charity by the ACNC commissioner. Remove any responsible person who does not meet these requirements.
Standard 5: Duties of responsible persons	Charities must take reasonable steps to make sure that responsible persons are subject to, understand and carry out the duties set out in this standard.

It is up to each charity to work out how it complies with them.

RED-TAPE REDUCTION BENEFITS 9000 CHARITIES

Red-tape reduction has benefited 9000 Victorian and New South Wales charities, the ACNC's annual report reveals.

The commission reported that its notable achievements in 2017–18 included:

- Red-tape reduction agreements that benefited 9000 charities in Victoria and New South Wales.
- 900,000 searches of the charity register, a 19 per cent increase on the previous year.
- A 65 per cent increase in investigations, resulting in 22 revocations of charity registration.
- More compliance agreements, enforceable undertakings, and directions than in any previous year.
- 2832 new charities registered.
- More than \$20.6 billion in revenue and \$9.2 billion in assets corrected on the register after the commission had identified errors.



The ACNC received 1869 'concerns' about charities in 2017–18, a 46 per cent increase on the previous year's figure. The majority (62 per cent) were either addressed by its advice team through education and guidance or were beyond the commission's jurisdiction.

The remaining 716 'concerns' were sent to compliance officers.

Top 'risks' to charities were:

- Private benefit (26 per cent)
- Poor governance (18 per cent)
- Criminal or improper behaviour (16 per cent)

Other risks (all under 10 per cent) were:

- Harm to beneficiaries (6 per cent)
- Terrorism (5 per cent)
- Mismanagement (5 per cent)
- Disqualifying because of political purposes
- Conflicts of interest
- Not entitled to charity subtype
- Reporting issues
- Imminent loss or harm to assets
- Record-keeping, and
- Disqualified persons.

The sources of 'concerns' arose from:

- Other government agency referrals (23 per cent)
- Members of the public (19 per cent)
- Responsible persons (current and prior) (11 per cent)
- Employees (current and prior) (8 per cent)
- Funding providers, donors, and volunteers (8 per cent)
- Media
- Charity (self-report)
- Anonymous charity beneficiaries
- Internal ACNC referral, for example, on registration and general advice, and
- Other proactive reviewing.

Compliance monitoring has increased significantly over the past two years. In 2017–18, the ACNC finalised more investigations (108) and regulatory intervention than in any other year. Charities subject to investigations and regulatory intervention controlled a combined total of \$5.7 billion of charitable assets.

NATURE	2017-2018	2016-2017
Investigations finalised	108	66
Revocations	22	22
Enforceable undertakings	3	1
Compliance agreements	16	5
Directions	2	0
Regulatory advice	28	40
Penalties	78	90

Where the ACNC identifies a charity's unwillingness or a lack of capability to address serious wrongdoing, it uses its regulatory powers or revokes the charity's registrations.



FINANCIAL REPORTING INSIGHT

THREE COMPLEX STANDARDS OPERATE FROM 1 JANUARY

From a financial perspective, 1 January has marked the start of a big year for NFPs that report in compliance with accounting standards.

The following complex accounting standards apply for annual reporting commencing on or after the first day of the year:

- AASB 15 Revenue from Contracts with Customers (NFP version).
- AASB 1058 Income of Not-for-profit Entities.
- AASB 16 Leases.

NFPs are relieved from extensive disclosures when reduced disclosure is applied.

AASB CLARIFIES DEFINITION OF A BUSINESS

The AASB has clarified the definition of a business and the definition of 'material' through two new amending standards.

They are:

- AASB AASB 2018-6 clarifies the definition of a business in AASB 3 Business Combinations, to assist entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.
- AASB 2018-7 clarifies the definition of 'material' and its application across AASB standards and other pronouncements. The principal amendments are to AASB 101 Presentation of Financial Statements.

Both standards are effective for annual periods beginning on or after 1 January 2020. Earlier application is permitted.



FLEXIBILITY ON FAIR-VALUING ‘PEPPERCORN LEASES’

The Australian Accounting Standards Board has issued amending standard AASB 2018-8. Amendments to Australian Accounting Standards—Right-of-Use Assets of Not-for-profit Entities.

AASB 2018-8 provides a *temporary* option for NFP leases to elect to measure a class (or classes) of right-of-use assets arising under ‘concessionary leases’ at initial recognition , either:

- Which At cost, in accordance with AASB 16 Leases paragraphs 23–25, which incorporates the amount of the initial measurement of the lease liability, or
- At fair value (under AASB 13 Fair value Measurement), in accordance with AASB 16 paragraph Aus25.1 (as amended).

In this context, concessionary leases have significantly below-market terms and conditions principally to enable an entity to further its objectives.

Entities choosing the temporary relief would value the right-of-use asset at the present value of payments required.

An entity applying the temporary option must include specific disclosures in financial statements to ensure that users understand the effects on financial positions and performances as well as cash-flows.

The temporary option allows NFPs to continue their work on fair-valuing right-of-use assets under peppercorn leases if they intend to measure the right-of-use assets at initial recognition at fair value.

Reasons for the temporary option are:

- Given the prevalence of restrictions on ROU assets in the NFP sector, the AASB prefers the interpretative issues arising from fair-valuing such leases to be resolved as part of the fair-value measurement project, and
- Financial-reporting thresholds of NFP private-sector entities are likely to be revised as a result of the ACNC legislative-review recommendations, and entities at lower levels of the reporting threshold might not be required in future to apply the requirements of AASB 16 and AASB 1058.

The optional relief is expected to remain in place until:

- Further guidance has been developed to assist NFP entities in fair-valuing ROU assets, and
- Financial-reporting requirements for private-sector NFPs have been finalised.

The AASB has set no firm date for removing the option, but it is unlikely to be removed in the next three to five years.

When the temporary relief is removed, the AASB will consider whether to provide transitional relief for leases with significantly below-market terms and conditions.

The board will reassess optional measurement when further guidance has been released to assist NFPs entities to fair-value ROU assets and financial-reporting requirements for private-sector NFPs have been finalised.

NFPs should appreciate the relief. It saves money and effort. Take advantage of the option.



FRAUD AND NOCLAR

FORMER GUIDE DOGS MANAGER CONVICTED

A former general manager of Guide Dogs Victoria submitted false invoices for home improvements and has pleaded guilty to three counts of obtaining advantage by deception.

Sandro Cirianni, 49, of Bundoora in Melbourne's north, was given a three-year

community correction order and fined \$3750.

He submitted 45 false invoices for home improvements worth \$178,413 and misused the organisation's corporate credit and fuel cards.

The County Court in Melbourne heard that he spent the money on installing a pool at his home, renovating his bathroom and putting a new roof on the house between April 2013 and March 2016. The invoices were paid because construction was also occurring at Guide Dogs Victoria.



Mr Cirianni spent \$27,680 through the charity's credit card and used corporate cards to buy \$4519 of fuel for personal use.

Mr Cirianni left the organisation in 2016 when Guide Dogs Victoria discovered that it had bought three air-conditioners that could not be found in a stocktake. After contacting the supplier, Guide Dogs Victoria learned that the units had been installed in Mr Cirianni's home.

He ultimately paid the supplier \$7222, but Guide Dogs Victoria then embarked on a forensic audit, which uncovered other false invoices. It revealed that he had used a Guide Dogs Victoria credit card to pay for meals at restaurants, car-washes and groceries.

Judge Susan Cohen told Mr Cirianni that he had betrayed the organisation and its employees. 'That betrayal extends to the supporters of the organisation,' she said.

In deciding not to send him to jail, Judge Cohen took into account that Mr Cirianni had paid back all of the money and the costs of lawyers and auditors and that he suffered significant health issues.

Guide Dogs Victoria chief executive Karen Hayes said that the organisation respected the decision. 'We would like to commend Victoria Police for their diligence in prosecuting this crime and ensuring that all funds were repaid immediately once discovered,' she said.



WHISTLEBLOWERS ARE HARRASSED

The Griffith University's 'Whistling While They Work 2' (WWTW2) report has revealed that 42 per cent of whistleblowers are harassed for speaking out.

Yet the report showed how critical whistleblowing was in identifying and rectifying wrongdoing.

WWTW2 head Professor A. J. Brown, said: 'It shows the treatment and outcomes experienced by whistleblowers continue to fall short of the level of social and organisational value placed on whistleblowing itself.'

The research draws on the experiences of 17,778 individuals across 46 organisations in Australia and New Zealand. It used 8380 respondents from 10 businesses and not-for-profit organisations to analyse the use of and attitudes towards whistleblowers.

Managers and governance professionals who dealt with whistleblowing agreed that in at least 34 per cent of cases whistleblowers suffered harassment and difficulties at work. Despite this, the research concluded that reporting suspected wrongdoings was vital to organisational success.

The research comes as the federal government prepares to reactive whistleblowing amendments to the Corruptions Act and independent MPs prepare a new bill for a national anti-corruption body with whistleblowing-protection powers.

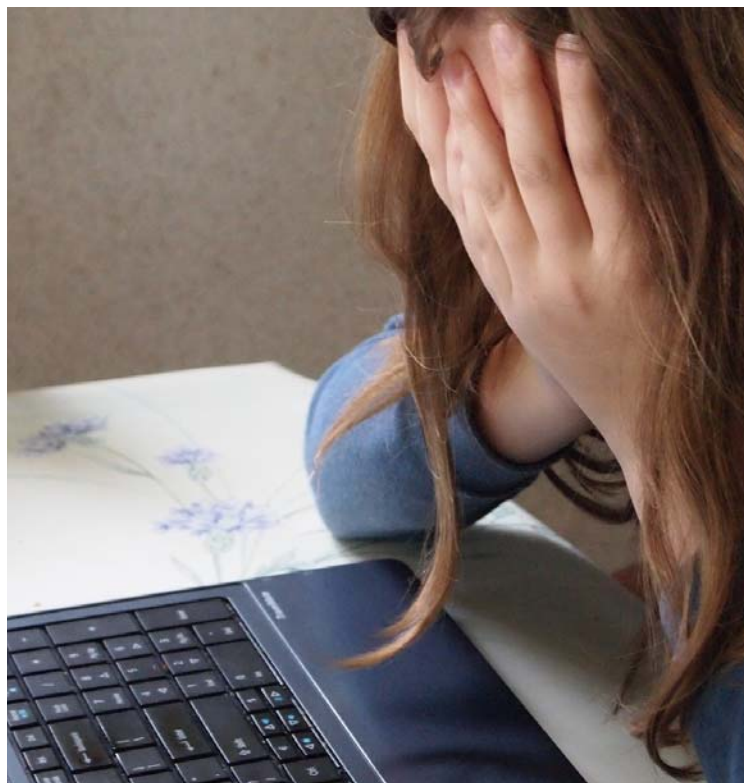
The Governance Institute of Australia is supporting the research, and will reinforce its 2018 Ethics Index, which found that whistleblower protection is vital to society.

Institute acting CEO Meegan George, said: 'Whistleblowing protection was one of the top-ranking ethical issues in the Governance Institute Ethics Index 2018. With new whistleblowing legislation already introduced to parliament and in light of the banking royal commission, organisations need a clear understanding of the best approaches to take to protect whistleblowers.'

The report highlighted new areas for further study, including the influence of the type of alleged wrongdoing on how cases are managed. More research was also needed on the prevalence of informal 'collateral' effects on whistleblowers, including stress and isolation.

'These results show us that, while not completely unavoidable, detrimental outcomes are still very much a reality for a worrying percentage of people who come forward against organisational misbehaviour,' Professor Brown said.

'The broad conclusion is that, although both public and private companies support whistleblowing as a means of keeping themselves honest at a theoretical level, in practice, the people in organisations are generally not so receptive to someone who comes forward with an issue.'





CONSUMER AFFAIRS VICTORIA GETS FUNDRAISING FEEDBACK

Consumer Affairs Victoria has conducted public consultations on fundraising regulations that are due to expire in June.

Written into the Fundraising Act 1998, regulations cover key issues, including classifying certain activities as not being fundraising appeals, specifying requirements for identification badges, and prescribing infringement penalties.

As part of the review, industry stakeholders were invited to share comments and recommendations.

Consultations closed on 21 December. For more information, visit <https://www.consumer.vic.gov.au/resources-and-tools/legislation/public-consultations-and-reviews/fundraising-regulations-2009-remake>.

GOVERNMENTS AND ATO

NSW CHARITIES TO SAVE MILLIONS

NSW Minister for Better Regulation Matt Kean has announced plans to cut red tape for charities.

NSW Fair Trading will accept ACNC registration with appropriate evidence. The change will require amending state fundraising laws.

More than 5000 fundraising-authority holders in NSW would welcome the change. Simplifying fundraising could mean more money for those in need.

‘My Better Business Reforms are getting back to basics and helping charities focus on what they do best – raising funds for important causes in our State,’ said Mr Kean.

The reforms will save charities \$15 million over 10 years by getting rid of duplicative reporting requirements, creating a five-year licence and making the renewal process simpler.

If a charity has already gone through the lengthy process of registering with the ACNC, NSW Fair Trading will accept their Commonwealth registration with the appropriate evidence. Simplifying the Charitable Fundraising Act in this way will save time and allow charities to focus on helping those in need. At the end of the day, that’s what really matters.’

The red-tape reduction measures are part of the biggest shakeup of NSW consumer law in more than 30 years.

The Better Business Reforms will also include measures to cut red tape for small business.



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- Very inspiring and made me feel pleased to be in the NFP sector

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To find out more and to register please click [here](#)

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STOPLINE ARE A SPONSOR OF OUR UPCOMING NFP CONFERENCE IN MARCH AND ARE AUSTRALIA'S LEADING SPECIALIST PROVIDER OF WHISTLEBLOWER PROGRAMS AND RELATED HOTLINE SERVICES

Andrew McLeish, managing Director, explains: "NSW Stoplevel is Australia's leading specialist provider of whistleblower programs and related hotline services. We assist some of Australia's largest public and private sector organisations in meeting their governance requirements and duty to their staff and stakeholders by providing simple, effective and cost efficient services. We have built a trusted environment for our clients and their employees for over 17 years.

With the impending changes to the whistleblower protection (Treasury Laws Amendment (Enhancing Whistleblower Protections) Bill 2017) which is due for ascent very shortly, it is very important for all businesses to consider what they are doing to ensure that they have a suitable and managed whistleblower or ethics service for all employees and other stakeholders. The most effective service is a system where the discloser is able to reach out to a service provider like Stoplevel, in many different ways and know that the information being handled is with confidentiality.

The Association of Certified Fraud Examiners (ACFE) have published articles and papers in this topic. In summary the ACFE have stated that the service must be inexpensive and allow the discloser different options or methods of contact into the business. Stoplevel provide the discloser six methods of reporting – telephone, smart phone APP, website (reporting portal), email, mail and fax. We also customise the reporting and methods of contact because every business is different so it is important to tailor the solution. For example: different industry types will have different reporting requirements. Many of our clients have mandatory reporting requirements – Aged Care, Disability Services, medical, education, child care, Government (local, State and Federal) and the like. A customised solution will ensure that the reporting is managed properly and with confidentiality.

Stoplevel can provide you with a customised ethical reporting system for your business.

In addition to our hotline and whistleblower

services, we also provide fraud and corruption investigation, cyber threat assessment, eDiscovery and forensic IT services. We have some of the country's most experience and talented investigators working with our clients to provide practical solutions to sensitive and complex issues.

We assist a wide variety of clients including accountants, insolvency practitioners, lawyers, local Government, State Government and Federal Government bodies, Regulatory agencies and the Courts to provide expertise in the field of investigations management, computer forensics, forensic advisory, cyber security and eDiscovery. "

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